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FOR IMMEDIATE RELEASE

May 19, 2008

PHILA. ELECTRICIAN ADMITS UNLAWFUL PAYMENT TO A UNION OFFICIAL

PHILADELPHIA – Donald Dougherty, Jr, president of Dougherty Electric, Inc. in Philadelphia, admitted today to making an unlawful payment to a union official, U.S. Attorney Pat Meehan announced. A second charge was dismissed. The plea comes one month after Dougherty's April 15th plea to 98 criminal counts that included operating an illegal cash payroll, stealing from a union benefits plan, and bribing a bank official, and it resolves the 100 count indictment against Dougherty. Donald Dougherty made illegal payments to a union official. Donald Dougherty performed \$115,600 work of renovations on the official's personal residence. An invoice for the renovations was submitted only after Donald Dougherty's offices were searched by federal investigators. Federal law prohibits an employer from offering money or a thing of value to an officer of a labor organization that represents that employer's workers. IBEW Local 98 represented and admitted to membership employees of Dougherty Electric. Employers are permitted to engage in financial transactions with an officer or employee of a labor organization only if the transaction was "at prevailing market price in the regular course of business."

Dougherty faces 41-51 months in prison under federal sentencing guidelines. Sentencing is scheduled for August 15th.

This case was investigated by the Federal Bureau of Investigation, U.S. Dept. of Labor, Office of Inspector General, Labor Racketeering and Fraud Investigations, Internal Revenue Service Criminal Investigation Division, and the U.S. Dept. of Labor, Employee Benefits Security Administration. This case is being prosecuted by Assistant United States Attorneys Anita Eve and Paul Gray.

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